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ASSEMBLY BILL NO. 31—COMMITTEE  
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE REAL ESTATE DIVISION OF THE  
DEPARTMENT OF BUSINESS AND INDUSTRY)

PREFILED NOVEMBER 16, 2018

Referred to Committee on Government Affairs

**SUMMARY**—Revises provisions concerning an application for a certificate as a community manager or registration as a reserve study specialist. (BDR 10-223)

**FISCAL NOTE:** Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to common-interest communities; requiring an applicant for a certificate as a community manager or registration as a reserve study specialist to submit an application and undergo a background investigation; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires a person to hold a certificate issued by the Real Estate  
2 Division of the Department of Business and Industry before providing for or  
3 otherwise engaging in the management of a common-interest community or the  
4 management of an association of a condominium hotel. (NRS 116A.400) Existing  
5 law also requires a person to be registered by the Division before acting as a reserve  
6 study specialist. (NRS 116A.420) **Section 1** of this bill requires an applicant for  
7 such a certificate or registration to apply to the Division and, as part of the  
8 application, to submit fingerprints to the Division or the Central Repository for  
9 Nevada Records of Criminal History to allow the Federal Bureau of Investigation  
10 to conduct an investigation of the applicant’s background. **Sections 2 and 3** of this  
11 bill delete provisions authorizing the Commission for Common-Interest  
12 Communities and Condominium Hotels to adopt regulations requiring the  
13 investigation of an applicant’s background. (NRS 116A.410) **Section 4** of this bill  
14 requires a person who currently holds a certificate or registration to undergo a  
15 background investigation as part of the process for the next renewal of his or her  
16 certificate or registration.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1       **Section 1.** Chapter 116A of NRS is hereby amended by  
2 adding thereto a new section to read as follows:

3       1. *Each person who seeks to obtain a certificate, including,*  
4 *without limitation, a temporary certificate, or a registration must:*

5       (a) *Apply to the Division in the form prescribed by the*  
6 *Division.*

7       (b) *As part of the application and at his or her own expense:*

8       (1) *Arrange to have a complete set of fingerprints taken by*  
9 *a law enforcement agency or other authorized entity acceptable to*  
10 *the Division; and*

11       (2) *Submit to the Division:*

12       (I) *A complete set of fingerprints and written permission*  
13 *authorizing the Division to forward the fingerprints to the Central*  
14 *Repository for Nevada Records of Criminal History for submission*  
15 *to the Federal Bureau of Investigation for a report on the*  
16 *applicant's background and to such other law enforcement*  
17 *agencies as the Division deems necessary for a report on the*  
18 *applicant's background; or*

19       (II) *Written verification, on a form prescribed by the*  
20 *Division, stating that the fingerprints of the applicant were taken*  
21 *and directly forwarded electronically or by other means to the*  
22 *Central Repository for Nevada Records of Criminal History and*  
23 *that the applicant provided written permission authorizing the law*  
24 *enforcement agency or other authorized entity taking the*  
25 *fingerprints to submit the fingerprints to the Central Repository*  
26 *for Nevada Records of Criminal History for submission to the*  
27 *Federal Bureau of Investigation for a report on the applicant's*  
28 *background and to such other law enforcement agencies as the*  
29 *Division deems necessary for a report on the applicant's*  
30 *background.*

31       2. *The Division may:*

32       (a) *Submit any fingerprints received pursuant to subsection 1*  
33 *to the Central Repository for Nevada Records of Criminal History*  
34 *for submission to the Federal Bureau of Investigation and to such*  
35 *other law enforcement agencies as the Division deems necessary;*  
36 *and*

37       (b) *Request from each agency to which the Division submits*  
38 *the fingerprints any information regarding the applicant's*  
39 *background as the Division deems necessary.*

40       3. *An application shall not be deemed to be complete until the*  
41 *Division has received a complete set of fingerprints or verification*  
42 *that the fingerprints have been forwarded electronically or by*



1 *other means to the Central Repository for Nevada Records of*  
2 *Criminal History, and written authorization from the applicant*  
3 *pursuant to this section.*

4 **Sec. 2.** NRS 116A.410 is hereby amended to read as follows:

5 116A.410 1. The Commission shall by regulation provide for  
6 the issuance by the Division of certificates. The regulations:

7 (a) Must establish the qualifications for the issuance of such a  
8 certificate, including, without limitation, the education and  
9 experience required to obtain such a certificate. The regulations  
10 must include, without limitation, provisions that:

11 (1) Provide for the issuance of a temporary certificate for a 1-  
12 year period to a person who:

13 (I) Holds a professional designation in the field of  
14 management of a common-interest community from a nationally  
15 recognized organization;

16 (II) Provides evidence that the person has been engaged  
17 in the management of a common-interest community for at least 5  
18 years; and

19 (III) Has not been the subject of any disciplinary action in  
20 another state in connection with the management of a common-  
21 interest community.

22 (2) Except as otherwise provided in subparagraph (3),  
23 provide for the issuance of a temporary certificate for a 1-year  
24 period to a person who:

25 (I) Receives an offer of employment as a community  
26 manager from an association or its agent; and

27 (II) Has management experience determined to be  
28 sufficient by the executive board of the association or its agent  
29 making the offer in sub-subparagraph (I). The executive board or its  
30 agent must have sole discretion to make the determination required  
31 in this sub-subparagraph.

32 (3) Require a temporary certificate described in subparagraph  
33 (2) to expire before the end of the 1-year period if the certificate  
34 holder ceases to be employed by the association, or its agent, which  
35 offered the person employment as described in subparagraph (2).

36 (4) Require a person who is issued a temporary certificate as  
37 described in subparagraph (1) or (2) to successfully complete not  
38 less than 18 hours of instruction relating to the Uniform Common-  
39 Interest Ownership Act within the 1-year period.

40 (5) Provide for the issuance of a certificate at the conclusion  
41 of the 1-year period if the person:

42 (I) Has successfully completed not less than 18 hours of  
43 instruction relating to the Uniform Common-Interest Ownership  
44 Act; and



1 (II) Has not been the subject of any disciplinary action  
2 pursuant to this chapter or chapter 116 of NRS or any regulations  
3 adopted pursuant thereto.

4 (6) Provide that a temporary certificate described in  
5 subparagraph (1) or (2) and a certificate described in  
6 subparagraph (5):

7 (I) Must authorize the person who is issued a temporary  
8 certificate described in subparagraph (1) or (2) or certificate  
9 described in subparagraph (5) to act in all respects as a community  
10 manager and exercise all powers available to any other community  
11 manager without regard to experience; and

12 (II) Must not be treated as a limited, restricted or  
13 provisional form of a certificate.

14 (b) May require applicants to pass an examination in order to  
15 obtain a certificate other than a temporary certificate described in  
16 paragraph (a). If the regulations require such an examination, the  
17 Commission shall by regulation establish fees to pay the costs of  
18 the examination, including any costs which are necessary for the  
19 administration of the examination.

20 (c) Must establish a procedure for a person who was previously  
21 issued a certificate and who no longer holds a certificate to reapply  
22 for and obtain a new certificate without undergoing any period of  
23 supervision under another community manager, regardless of the  
24 length of time that has passed since the person last acted as a  
25 community manager.

26 (d) ~~May require an investigation of an applicant's background.~~  
27 ~~If the regulations require such an investigation, the Commission~~  
28 ~~shall by regulation establish fees to pay the costs of the~~  
29 ~~investigation.~~

30 ~~(e)~~ Must establish the grounds for initiating disciplinary action  
31 against a person to whom a certificate has been issued, including,  
32 without limitation, the grounds for placing conditions, limitations or  
33 restrictions on a certificate and for the suspension or revocation of a  
34 certificate.

35 ~~(f)~~ (e) Must establish rules of practice and procedure for  
36 conducting disciplinary hearings.

37 ~~(g)~~ (f) Must establish the qualifications for the renewal of a  
38 certificate, including, without limitation, the hours of continuing  
39 education required to obtain such a renewal. The regulations must  
40 include, without limitation, provisions that:

41 (1) Require the certificate to be renewed biennially.

42 (2) Authorize the satisfaction of not more than 5 of the  
43 required hours of continuing education, which must be designated as  
44 instruction relating to the provisions of this chapter and chapter 116  
45 of NRS and any regulations adopted pursuant thereto, in increments



1 of 1 hour, within the 2 years immediately preceding the date on  
2 which the certificate expires by:

3 (I) Observation of a disciplinary hearing conducted by the  
4 Commission, the hours of attendance at which may be used to fulfill  
5 any hours of instruction relating to federal, state or local laws and  
6 regulations applicable to the management of a common-interest  
7 community the Commission may require; or

8 (II) With the permission of the parties involved,  
9 attendance as an observer at any mediation, arbitration or other  
10 process of alternative dispute resolution arising from a claim which  
11 is within the jurisdiction of the Division.

12 2. The Division may collect a fee for the issuance of a  
13 certificate in an amount not to exceed the administrative costs of  
14 issuing the certificate.

15 3. As used in this section, "management experience" means  
16 experience in a position in business or government, including,  
17 without limitation, in the military:

18 (a) In which the person holding the position was required, as  
19 part of holding the position, to engage in one or more management  
20 activities, including, without limitation, supervision of personnel,  
21 development of budgets or financial plans, protection of assets,  
22 logistics, management of human resources, development or training  
23 of personnel, public relations, or protection or maintenance of  
24 facilities; and

25 (b) Without regard to whether the person holding the position  
26 has any experience managing or otherwise working for an  
27 association.

28 **Sec. 3.** NRS 116A.430 is hereby amended to read as follows:

29 116A.430 1. The Commission shall by regulation provide for  
30 the registration by the Division of reserve study specialists. The  
31 regulations:

32 (a) Must establish the qualifications for registration, including,  
33 without limitation, the education and experience required for  
34 registration.

35 (b) May require applicants to pass an examination for  
36 registration. If the regulations require such an examination, the  
37 Commission shall by regulation establish fees to pay the costs of  
38 the examination, including any costs which are necessary for the  
39 administration of the examination.

40 ~~(c) [May require an investigation of an applicant's background.  
41 If the regulations require such an investigation, the Commission  
42 shall by regulation establish fees to pay the costs of the  
43 investigation.~~

44 ~~—(d)]~~ Must establish the grounds for initiating disciplinary action  
45 against a person who has registered, including, without limitation,



1 the grounds for placing conditions, limitations or restrictions on  
2 registration and for the suspension or revocation of registration.

3 ~~(e)~~ (d) Must establish rules of practice and procedure for  
4 conducting disciplinary hearings.

5 2. The Division may collect a fee for registration in an amount  
6 not to exceed the administrative costs of registration.

7 **Sec. 4.** 1. A person who, on July 1, 2019, holds a certificate  
8 for the management of a common-interest community or the  
9 management of an association of a condominium hotel issued by the  
10 Real Estate Division of the Department of Business and Industry  
11 pursuant to NRS 116A.400, as that section existed on June 30, 2019,  
12 or a registration as a reserve study specialist issued by the Division  
13 pursuant to NRS 116A.420, as that section existed on June 30, 2019,  
14 shall, as part of his or her next application for the renewal of that  
15 certificate or registration, as applicable, and at his or her own  
16 expense:

17 (a) Arrange to have a complete set of fingerprints taken by a law  
18 enforcement agency or other authorized entity acceptable to the  
19 Division; and

20 (b) Submit to the Division:

21 (1) A complete set of fingerprints and written permission  
22 authorizing the Division to forward the fingerprints to the Central  
23 Repository for Nevada Records of Criminal History for submission  
24 to the Federal Bureau of Investigation for a report on the applicant's  
25 background and to such other law enforcement agencies as the  
26 Division deems necessary for a report on the applicant's  
27 background; or

28 (2) Written verification, on a form prescribed by the  
29 Division, stating that the fingerprints of the applicant were taken and  
30 directly forwarded electronically or by other means to the Central  
31 Repository for Nevada Records of Criminal History and that the  
32 applicant provided written permission authorizing the law  
33 enforcement agency or other authorized entity taking the  
34 fingerprints to submit the fingerprints to the Central Repository for  
35 Nevada Records of Criminal History for submission to the Federal  
36 Bureau of Investigation for a report on the applicant's background  
37 and to such other law enforcement agencies as the Division deems  
38 necessary for a report on the applicant's background.

39 2. The Division may:

40 (a) Submit any fingerprints received pursuant to subsection 1 to  
41 the Central Repository for Nevada Records of Criminal History for  
42 submission to the Federal Bureau of Investigation and to such other  
43 law enforcement agencies as the Division deems necessary; and



1 (b) Request from each agency to which the Division submits the  
2 fingerprints any information regarding the applicant's background  
3 as the Division deems necessary.

4 3. An application shall not be deemed to be complete until the  
5 Division has received a complete set of fingerprints or verification  
6 that the fingerprints have been forwarded electronically or by other  
7 means to the Central Repository for Nevada Records of Criminal  
8 History, and written authorization from the applicant pursuant to  
9 this section.

10 **Sec. 5.** This act becomes effective:

11 1. Upon passage and approval for the purpose of adopting any  
12 regulations and performing any other preparatory administrative  
13 tasks that are necessary to carry out the provisions of this act; and

14 2. On July 1, 2019, for all other purposes.



